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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
09/735,908	12/14/2000	Jean-Charles Javerlhac	108154	5746
25944	7590	12/14/2004	EXAMINER	
OLIFF & BERRIDGE, PLC P.O. BOX 19928 ALEXANDRIA, VA 22320				NAJARIAN, LENA
ART UNIT		PAPER NUMBER		
		3626		

DATE MAILED: 12/14/2004

Please find below and/or attached an Office communication concerning this application or proceeding.

Office Action Summary	Application No.	Applicant(s)
	09/735,908	JAVERLHAC, JEAN-CHARLES
Examiner	Lena Najarian	Art Unit
		3626

-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address. -
Period for Reply

A SHORTENED STATUTORY PERIOD

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If the period for reply specified above is less than thirty (30) days, a reply within the statutory minimum of thirty (30) days will be considered timely.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

Status

Disposition of Claims

4) Claim(s) 1-16 is/are pending in the application.
4a) Of the above claim(s) _____ is/are withdrawn from consideration.
5) Claim(s) _____ is/are allowed.
6) Claim(s) 1-16 is/are rejected.
7) Claim(s) _____ is/are objected to.
8) Claim(s) _____ are subject to restriction and/or election requirement.

Application Papers

9) The specification is objected to by the Examiner.

10) The drawing(s) filed on _____ is/are: a) accepted or b) objected to by the Examiner.

Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).

Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).

11) The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

Priority under 35 U.S.C. § 119

12) Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
a) All b) Some * c) None of:
1. Certified copies of the priority documents have been received.
2. Certified copies of the priority documents have been received in Application No. _____.
3. Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).

* See the attached detailed Office action for a list of the certified copies not received.

Attachment(s)

1) Notice of References Cited (PTO-892)
2) Notice of Draftsperson's Patent Drawing Review (PTO-948)
3) Information Disclosure Statement(s) (PTO-1449 or PTO/SB/08)
Paper No(s)/Mail Date _____.
4) Interview Summary (PTO-413)
Paper No(s)/Mail Date. _____.
5) Notice of Informal Patent Application (PTO-152)
6) Other: _____.

DETAILED ACTION

Specification

1. Applicant is reminded of the proper language and format for an abstract of the disclosure.

The abstract should be in narrative form and generally limited to a single paragraph on a separate sheet within the range of 50 to 150 words. It is important that the abstract not exceed 150 words in length since the space provided for the abstract on the computer tape used by the printer is limited. The form and legal phraseology often used in patent claims, such as "means" and "said," should be avoided. The abstract should describe the disclosure sufficiently to assist readers in deciding whether there is a need for consulting the full patent text for details.

The language should be clear and concise and should not repeat information given in the title. It should avoid using phrases which can be implied, such as, "The disclosure concerns," "The disclosure defined by this invention," "The disclosure describes," etc.

The abstract of the disclosure is objected to because of legal phraseology, such as "said". Correction is required. See MPEP § 608.01(b).

Claim Rejections - 35 USC § 112

2. The following is a quotation of the second paragraph of 35 U.S.C. 112:

The specification shall conclude with one or more claims particularly pointing out and distinctly claiming the subject matter which the applicant regards as his invention.

3. Claims 5-6 and 10 are rejected under 35 U.S.C. 112, second paragraph, as being indefinite for failing to particularly point out and distinctly claim the subject matter which applicant regards as the invention.

4. Claims 5-6 and 10 recite the limitations for which there is no antecedent basis in the claims. In particular, the following passages lack or have vague antecedent basis:

- (i) "the insured risk": claim 5, line 4

- (ii) "the risk": claim 6, line 4
- (iii) "the risks": claim 10, line 2.

Claim Rejections - 35 USC § 101

5. 35 U.S.C. 101 reads as follows:

Whoever invents or discovers any new and useful process, machine, manufacture, or composition of matter, or any new and useful improvement thereof, may obtain a patent therefor, subject to the conditions and requirements of this title.

6. Claims 1-16 are rejected under 35 U.S.C. 101 because the claimed invention is directed to non-statutory subject matter.

The basis of this rejection is set forth in a two-prong test of:

- (1) whether the invention is within the technological arts; and
- (2) whether the invention produces a useful, concrete, and tangible result.

For a claimed invention to be statutory, the claimed invention must be within the technological arts. Mere ideas in the abstract (i.e., abstract idea, law of nature, natural phenomena) that do not apply, involve, use, or advance the technological arts fail to promote the "progress of science and the useful arts" (i.e., the physical sciences as opposed to social sciences, for example) and therefore are found to be non-statutory subject matter. For a process claim to pass muster, the recited process must somehow apply, involve, use, or advance the technological arts.

In the present case, claims 1-16 recite only abstract ideas. The recited steps of exemplary claim 1 of merely establishing a contract between a client to be insured and

an insurer, investing at least a portion of an initial sum paid by the client, and reimbursing the client with a sum that is a function of the income earned by the investment and of the claims the insurer has had to indemnify does not apply, involve, use, or advance the technological arts since all of the recited steps can be performed in the mind of the user or by use of a pencil and paper.

Additionally, for a claimed invention to be statutory, the claimed invention must produce a useful, concrete, and tangible result. In the present case, the claimed invention produces an insurance method that allows insurers to invest their clients' premiums and reimburse them with a sum that is a function of the income earned by the investment. Although the recited process produces a useful, concrete, and tangible result, since the claimed invention, as a whole, is not within the technological arts as explained above, claims 1-16 are deemed to be directed to non-statutory subject matter.

Claim Rejections - 35 USC § 102

7. The following is a quotation of the appropriate paragraphs of 35 U.S.C. 102 that form the basis for the rejections under this section made in this Office action:

A person shall be entitled to a patent unless –

(a) the invention was known or used by others in this country, or patented or described in a printed publication in this or a foreign country, before the invention thereof by the applicant for a patent.

8. Claims 15-16 are rejected under 35 U.S.C. 102(a) as being anticipated by Payne et al. (6,049,772).

(A) Referring to claim 15, Payne discloses a system for issuing an insurance policy, the system comprising means for inputting the duration of the contract; means for inputting

the nature of the property to be insured; means for calculating, where appropriate, the total of the premiums due during the duration of the contract, as a function of the nature of the property to be insured; means for inputting the amount of an initial sum paid by a client; means for delivering information relating to the earnings that can be made to the advantage of the client by an investment relating to at least a fraction of the initial sum and made by the insurer; and means for printing an insurance policy including at least the duration of the contract, the nature of the property, and information relating to the income that can be earned by said investment (col. 2, lines 35-50, col. 3, lines 1-8, and Fig. 1 & 2 of Payne).

(B) Referring to claim 16, Payne discloses an insurance policy comprising a contract duration, the amount of an initial sum paid by the client, and information relating to the income that can be earned to the benefit of the client by an investment relating to at least a fraction of the initial sum paid by the client (col. 2, lines 35-50 of Payne).

Claim Rejections - 35 USC § 103

9. The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

10. Claims 1-4, 7-10, and 13 are rejected under 35 U.S.C. 103(a) as being unpatentable over Payne et al. (6,049,772) in view of Levison (US 2002/0010599 A1).

(A) Referring to claim 1, Payne discloses an insurance method comprising the following steps:

establishing a contract between a client to be insured and an insurer ready to insure the client against possible claims, in which contract the client pays the insurer an initial sum covering at least the costs of insurance over a predetermined duration (col. 2, lines 32-38 of Payne); and

investing at least a portion of said initial sum so that the invested sum earns income (col. 2, lines 52-56 of Payne);

Payne does not disclose at the end of the said predetermined duration, reimbursing the client with a sum that is a function of the income earned by the investment made by the insurer and of the claims the insurer has had to indemnify during said predetermined duration.

Levison discloses reimbursing the client with a reward for taking a desired action such as removing a causative factor (para. 17, lines 1-12 & para. 18, lines 7-8 of Levison).

At the time of the invention, it would have been obvious to a person of ordinary skill in the art to combine the feature of Levison within Payne. The motivation for doing so would have been to reduce the likelihood of hazard, which would result in the reduction of claims the insurer would have to indemnify (para. 17, lines 23-24 of Levison).

(B) Referring to claims 2 and 3, Payne does not disclose that the sum reimbursed to the client corresponds, at least if there is no claim, at least to a major fraction of the income

earned by the investment and that the sum reimbursed to the client corresponds to all of the income earned by the investment.

Levison discloses that insurers profit by investing premiums it receives and teaches a method for providing incentive rewards, such as a credit being reimbursed to the client for taking certain actions (para. 2, lines 1-6 & para. 9 of Levison).

At the time of the invention, it would have been obvious to a person of ordinary skill in the art to combine the features of Levison within Payne. The motivation for doing so would have been for the insurer to reward individuals for conducting business activities of interest (para. 6 of Levison).

- (C) Referring to claim 4, Payne discloses the investment is at a guaranteed minimum rate (col. 1, lines 36-38 of Payne).
- (D) Referring to claim 7, Payne discloses the predetermined duration is longer than a determined duration set by legislation and enabling a tax advantage to be obtained (col. 1, lines 22-23 & col. 3, lines 37-41 of Payne).
- (E) Referring to claim 8, Payne discloses the reimbursement is made in the form of a lump sum (col. 1, lines 18-20 of Payne).
- (F) Referring to claim 9, Payne discloses the reimbursement is made in the form of an annuity (col. 2, lines 36-38 of Payne).
- (G) Referring to claim 10, Payne does not disclose that the risks covered by the insurer concern property selected from the following list: vehicles, in particular, cars, belonging to or used by the client; boats; other leisure property; real property belonging to the client and/or occupied by the client; professional property.

Levison discloses insurance covering automobiles, homes, boats, worker's compensation, health, etc. (para. 2, lines 6-8 & para. 4 of Levison).

At the time of the invention, it would have been obvious to a person of ordinary skill in the art to combine Payne's method with the various types of insurance disclosed in Levison. The motivation for doing so would have been to allow the method to be used for common forms of insurance (para. 2, lines 6-8 of Levison).

(H) Referring to claim 13, Payne discloses the duration of the contract is longer than one year (col. 4, lines 54-59 of Payne).

11. Claims 5-6 are rejected under 35 U.S.C. 103(a) as being unpatentable over Payne et al. (6,049,772) in view of Levison (US 2002/0010599 A1) as applied to claim 1 above, and further in view of McMillan et al. (6,064,970).

(A) Referring to claims 5 and 6, Payne and Levison do not disclose that the client is given the option of signing an addition to the contract while it is in force to enable the client to pay in an additional sum in the event of the risk increasing and to withdraw a sum in the event of the risk decreasing.

McMillan discloses insurance rating systems that provide discounts and surcharges and different premiums being charged based on changes that occur during the contract, such as a driver's age (col. 2, lines 13-37 of McMillan).

At the time of the invention, it would have been obvious to a person of ordinary skill in the art to combine the features of McMillan within Payne and Levison. The motivation for doing so would have been to assess the likelihood of a claim

subsequently occurring and charging premiums accordingly (col. 2, lines 42-43 of McMillan).

12. Claims 11-12 and 14 are rejected under 35 U.S.C. 103(a) as being unpatentable over Payne et al. (6,049,772) in view of Levison (US 2002/0010599 A1) as applied to claim 1 above, and further in view of Cooperstein (5,893,071).

(A) Referring to claims 11 and 12, Payne and Levison do not disclose that the initial sum paid by the client is greater than the total of the premiums paid in advance and that the initial sum paid by the client is less than the total of the premiums due during the period of the contract, with at least a fraction of the earnings being used to pay at least a fraction of the premiums.

Cooperstein discloses that the initial sum paid by the client is greater than the total of the premiums paid in advance and that the initial sum paid by the client is less than the total of the premiums due during the period of the contract, with at least a fraction of the earnings being used to pay at least a fraction of the premiums (Fig. 8 and col. 1, line 62 – col. 2, line 7 of Cooperstein).

At the time of the invention, it would have been obvious to a person of ordinary skill in the art to combine the features of Cooperstein within Payne and Levison. The motivation for doing so would have been for the contract to protect an insured individual from adverse financial consequences (col. 1, lines 22-24 of Cooperstein).

(B) Referring to claim 14, Payne and Levison do not disclose that the client is given the option of a plurality of contract durations, long duration contracts being more advantageous than short duration contracts in terms of returns that can be obtained.

However, this feature is well known in the art, as evidenced by Cooperstein.

Cooperstein discloses that the client is given the option of a plurality of contract durations, long duration contracts being more advantageous than short duration contracts in terms of returns that can be obtained (Fig. 8 and col. 3, line 66-col. 4, line 5 of Cooperstein).

At the time of the invention, it would have been obvious to a person of ordinary skill in the art to combine the features of Cooperstein within Payne and Levison. The motivation for doing so would have been for the insurers to present options to their clients.

Conclusion

13. The prior art made of record and not relied upon is considered pertinent to applicant's disclosure. The cited but not applied prior art teaches a method and system for developing a time horizon based investment strategy (5,987,433); a financial transaction system with retirement saving benefit (6,105,865); and a system for analyzing and managing equity participation life insurance and annuity contracts (6,343,272).

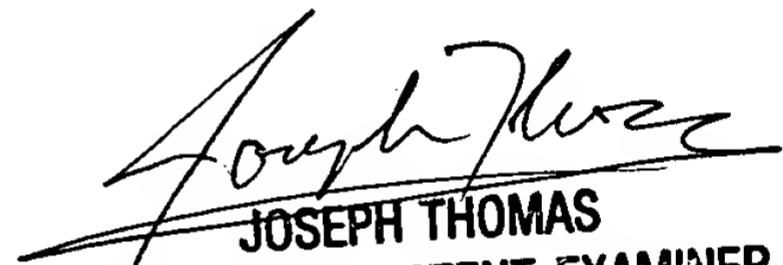
Also included is provisional application 60/175,748, which is a priority document to applied reference, US-2002/0010599 A1 (Levison).

14. Any inquiry concerning this communication or earlier communications from the examiner should be directed to Lena Najarian whose telephone number is (703) 305-0260. The examiner can normally be reached on Monday - Friday, 8:30 am - 5:00 pm.

If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, Joseph Thomas can be reached on (703) 305-9588. The fax phone number for the organization where this application or proceeding is assigned is 703-872-9306.

Information regarding the status of an application may be obtained from the Patent Application Information Retrieval (PAIR) system. Status information for published applications may be obtained from either Private PAIR or Public PAIR. Status information for unpublished applications is available through Private PAIR only. For more information about the PAIR system, see <http://pair-direct.uspto.gov>. Should you have questions on access to the Private PAIR system, contact the Electronic Business Center (EBC) at 866-217-9197 (toll-free).

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